

Small Business Finance Resource Guide

[Introduction](#)

[How to Use This Guide](#)

[Finding the Right Assistance for Your Business](#) — Local and State Program Descriptions

[City of Boston Office of Business Development](#)

Business Assistance Team at the Boston Empowerment Center

Boston Main Streets

Commercial Real Estate and Business Finance

Boston Local Development Corporation (BLDC)

Boston Industrial Development Financing Authority (BIDFA)

ReStore Boston

Enhanced Enterprise Community—Empowerment Zone

[Partners at the Boston Empowerment Center](#)

U.S. Small Business Administration (SBA)

JVS Microenterprise Division

[Neighborhood Assistance](#)

Working Capital

Community Development Corporations (CDCs)

[State Assistance](#)

Massachusetts Office of Business Development

Massachusetts Economic Development Program

Massachusetts Small Business Development Centers

[Non-Financial Information and Assistance Summary Chart](#)

[Financing Your Business](#)

Special Finance Program Descriptions

Tips on Requesting Bank Financing

Business Loans Offered by Local Banks

Bilingual Assistance

Translation Key—Common Banking Terms

[Boston Main Streets Contact List](#)

[Community Contacts List](#)

INTRODUCTION

Businesses need financing to introduce new products, expand their facilities, and take advantage of new market opportunities. Banks want business customers to make loans, expand their market share, and increase the potential for new business. Local and state government support business growth to increase the availability of new jobs and ensure the economic well being of the community.

For some business owners, access to credit seems very difficult to obtain. Banks, they are often told, are not really interested in lending to small businesses. And, bankers sometimes seem to speak a foreign language ("bankerese") filled with technical jargon. As for government agencies, just look in the phone book. How do you tell one agency from another? Who can really provide assistance?

In 1998, the Massachusetts Community & Banking Council's (MCBC) Small Business Committee developed the *Small Business Financial Resource Guide* to help small business owners find the right kind of assistance to meet their business needs. This *1999 Boston Small Business Financial Resources Guide* is a revision based on the original MCBC Guide. For purposes of this Guide, "small business" means start-ups (in business for less than 18-24 months) and existing businesses with sales of less than \$1 million.

The Massachusetts Community & Banking Council (MCBC) was established in 1990 as a collaborative effort between community and bank representatives to encourage community investment in low and moderate income and minority neighborhoods. MCBC strives to promote a better understanding of the credit and financial needs in those neighborhoods and to provide assistance and direction to banks and community groups in addressing those needs. MCBC's Board of Directors includes both bank and community

members; MCBC's activities are funded by support from member banks. This guide was developed by MCBC's Small

Business Committee, which includes representatives from banks, state, and local government programs, quasi-public agencies, non-profit organizations and others who are working to support the growth of small businesses in Boston.

The City of Boston Office of Business Development and MCBC hope that you find this guide informative and helpful.

How to Use this Guide

Be an Educated Consumer

The programs listed in this Guide offer assistance to small businesses varying in size and stage of development. You will find information on programs and lenders targeted to your needs if you are starting up a new business or are well established. There are programs serving everything from home-based businesses to large-scale commercial and industrial enterprises. Your successful use of this Guide begins with knowing what services you and your business need.

Before you begin contacting banks, governmental or quasi-public agencies and other programs listed in this Guide, do an honest analysis of your business, its current status, performance and future growth. Also evaluate its needs and yourself as a business owner. This will speed you in your search for assistance. It also enables the organizations you contact to direct you to the

programs and services that will best serve you.

Use the steps below to begin to analyze your business. This process should help minimize confusion when you review the many options for financing, technical assistance, and other assistance listed in this Guide.

Know your Business

Analyze your needs. Do you need financing, help with marketing, business plan development, or general advice? Identify the needs of your business and then look for the programs that serve that need.

You may find that you simply need to find the name and phone number of a bank that serves your local community.

Your business may need assistance before you approach a lender, such as help with the development of a professional business plan.

Perhaps you do not need financing at this point in your business development, but would benefit from counseling either on a one-on-one basis or in a classroom environment.

Assess your business. Honestly evaluate the stage of development of your business or your idea for a new business.

If you have an existing business:

Have you written a business plan showing your goals and methods for the growth of your business?

Is your business profitable?

Does it have the right staff, location and product mix?

Do you use sound accounting principles in keeping your books?

Can you make financial information available to a lender on request?

If you want to start a new business:

Have you written a professional business plan?

Why do you think you can succeed with the new business you want to start?

Do you have another source of income to live on while you are establishing your business?

Do you have a substantial cash investment to help finance the start up of your business?

Do you have a background in this business?

Have you studied the target market for your new business?

Evaluate your strengths. What are your strengths as a business owner? Where can you benefit from mentoring, training or support?

Do you need help writing a business plan?

Are you computer literate?

Do you need access to a computer to write your business plan?

How strong is your bookkeeping system?

Finding the Right Assistance for you—Local and State Assistance

For most small business owners, the place to start is the section on Local and State Assistance. Find the programs that are available in your area and that meet your business needs.

The section on **Local and State Assistance** tells you where you can go for information and assistance on government-sponsored loan programs, business planning, financial management, business operations and loan packaging. The programs listed here offer guidance and assistance to small business owners on a variety of issues, from improving your business operations to preparing a specific loan request. You can make the best use of the services available by knowing what kind of assistance you need, finding the kind of programs that meet your needs, and asking the right questions. For example, if you are looking for help in developing a professional business plan or improving your marketing, think about the kind of help you want and that best suits your style and schedule. You can seek one-on-one counseling or classroom training (which also provides an opportunity to network with other business owners). Maybe you think that all you need is a reference library or a computer program that you can use on your own. Some programs offer special one-time seminars on business topics. A summary of non-financial information and management assistance programs is listed on page 9.

Financing Your Business

Next, review the section on financing programs. The Guide lists a variety of public and quasi-public finance programs. Most work in tandem with local lending institutions to leverage their dollars.

The section on **Financing for Your Business** provides a chart that can help you match your business and financing need with some of the loan programs available through public and quasi-public agencies and other local sources. You can use this chart and the accompanying descriptions to identify the type of program that may be right for your business. Again, knowing your business profile and your financing needs is the key to identifying the program or programs that may be right for you. Local and State Assistance organizations can also help to direct you to the most appropriate sources, can serve as an advocate and adviser in identifying the right program for your business, and can often help in developing your loan package or application.

Finally, review the sections on bank financing for the type of financing you require.

The **Tips on Requesting Bank Financing** section tells you what you need to know about finding a bank and how to improve your chances for bank financing. **Small Business Lenders in Greater Boston** list banks that provide financing to small businesses, the types of financing offered, and bilingual assistance provided.

Local, state, and federal government and a variety of community-based organizations offer programs that provide technical and financial assistance to small business owners looking to expand or simply to improve business operations. You can make best use of these programs by clearly defining your business needs.

City of Boston Office of Business Development

Business Assistance Team at the Boston Empowerment Center

The **Office of Business Development Business Assistance Team** is made up of a group of business development managers who provide personalized, one-to-one assistance to current and prospective business owners. The Team can help qualified entrepreneurs and small businesses identify and coordinate an array of business services including:

Business plan development

Business start-up assistance

Marketing and promotion strategies

Locating a business site

Providing referrals to private and public sources of business capital

Providing loan application assistance

Guiding you through the city permitting, licensing, and zoning processes

Advocating for business owners

The **Boston Main Streets Program** currently operates in 15 Boston neighborhoods. The program fosters neighborhood commercial districts by providing assistance to local group efforts to revitalize neighborhood business districts. City assistance includes: design assistance to improve the appearance of the commercial district, organizing assistance to build neighborhood partnerships, marketing assistance to promote the commercial district and assistance with recruiting new businesses. Through Boston Main Streets, funding and matching grants are available for technical assistance, small-scale rehab projects, public safety improvements, and promotional services.

Commercial Real Estate and Business Financing

The **Office of Business Development** provides loans to cover the gap between the amount of financing needed for an economic development project and the amount that conventional lenders can underwrite. On average, projects must create or retain at least one full-time job for every \$50,000 in loan. The terms and conditions of the loans are flexible to meet the needs of the project. Real estate loans are available for commercial real estate projects involving the acquisition and construction/rehab, city-owned commercial buildings, or vacant land on Blue Hill Avenue. They also are available under the **ReStore Boston Program** for neighborhood business and property owners with storefront improvement matching funds up to \$7,500 per storefront. Business loans are also available to finance the purchase of equipment, fixtures, inventory, leasehold improvements and working capital.

The Office of Business Development provides loans and loan guarantees to small businesses at or below market interest rates through its **Boston Local Development Corporation (BLDC)**. The Boston Local Development Corporation provides loans between \$15,000 and \$150,000 for existing businesses in, or relocating to, the City of Boston, with an emphasis on the Enhanced Enterprise Community and Boston Main Streets neighborhoods. The BLDC provides stand-alone financing and can provide subordinated debt for up to 30% of a total project. Funds may be invested in construction, expansion, or renovation projects; to purchase real estate, machinery or equipment; or to provide working capital to support the needs of a growing business, such as increasing inventory or hiring new employees.

The **Boston Industrial Development Financing Authority (BIDFA)** issues bonds to finance capital needs of businesses and institutions. Bonds can be used to finance construction, capital expenses and working capital needs resulting from expansion. Project should be of sufficient size to justify legal, underwriting and placement costs, generally a minimum of \$750,000. The types of bond issues available include tax-exempt bonds for non-profit institutions, tax-exempt industrial development bonds and taxable bonds for industrial and commercial enterprises.

As an **Enhanced Enterprise Community**, the City of Boston was awarded \$22 million in federal Economic Development Initiative funds to be used in conjunction with loans made under the HUD Section 108 guarantee program. These funds can only be used for projects within the area of the City of Boston designated as the Enhanced Enterprise Community. HUD 108 loan guarantees can be used for projects that create jobs, a majority of which will be available to low and moderate income individuals; provide a needed community service and/or aid in the elimination of slums and blight. Due to the high placement and underwriting costs, the minimum feasible request for these funds is \$250,000. The funds may be used to provide enhancements to HUD 108 guarantees, including writing-down the interest rate in order to allow a project to cash-flow, serving as equity to give a project an appropriate loan-to-value ratio, and providing additional security for a project. For example, writing a letter of credit; offsetting the legal and underwriting costs attached to a project; or lowering the risk to the City of obtaining future HUD 108 allocations, by establishing a loan loss reserve.

For additional information on all City of Boston Commercial Real Estate and Business Finance options, contact the Office of Business Development Business Assistance Team at 617 445-3413.

Partners at the Boston Empowerment Center

The Boston Empowerment Center was established to make information and professional business assistance available to small firms in a "one-stop" environment. In addition to the City of Boston's Office of Business Development, the Boston Empowerment Center is staffed by professionals from the SBA; the SBA Service Corps of Retired Executives; Department of Defense; General Services Administration; Jewish Vocational Services; and the Center for Women & Enterprise. These services are available on a walk-in basis. In addition, Boston Empowerment Center staff can refer business owners to other government, public and private organizations, banks, business education and service providers.

In addition to those offered by the Office of Business Development Business Assistance Team, the following programs and services are offered at the Boston Empowerment Center:

- Business start-up/acquisition
- Accounting and record keeping
- Loan packaging assistance
- Advertising strategies
- Business plans
- Inventory display/floor layout and design
- Marketing/sales
- Business recruitment
- City, state and federal procurement
- Grand openings and promotional events
- Training seminars

Small Business Administration (SBA)

The **SBA One Stop Capital Shop/Business Information Center** is a reference/resource facility with computers, modems, CD-ROM, and video monitor, and over 200 Entrepreneur Start-Up Business Guides available to assist persons who are in business or who are planning to start a business. Normally, a person will start with one-on-one counseling with a Service Corps of Retired Executives counselor or Small Business Development Center counselor who can help to fully utilize the resources of the Business Information Center, including:

The Business Information Center's **reference library** contains a variety of publications to assist in developing sound business management concepts and a business plan. Publications cover business planning, marketing, operations and financial analysis.

A wide selection of **video tapes** is available, including the complete *Inc. Magazine* video series, plus other tapes covering exporting, business planning, marketing, promotion and other subjects.

A selection of **CD-ROM** discs are available for business research, including the 1990 Census Population & Housing, 1992 Economic Census, County Business Patterns, Dun's Business Locator and Middle Market, Statistical Abstract of the U.S., Select Phone, Streets Plus, Microsoft Encarta, Office and Bookshelf, along with information on exporting.

Seven computer stations are available to enable a present or potential small business owner to access a variety of computer software programs designed to assist in the development and management of a small business. Template applications are provided for formatting a **business plan**. The integrated programs utilize word processing, spreadsheets and data base applications.

For additional information about SBA Programs, call 617 445-3413.

JVS Microenterprise Division

JVS Microenterprise Division is part of Jewish Vocational Service (JVS), a non-profit provider of career and business services. The Microenterprise Division provides three major services: training for entrepreneurs, technical assistance for existing and start-up small businesses, and loans from \$2,500 to \$25,000 for new or existing business located in the Enhanced Enterprise Community and Greater Boston. JVS currently operates several loan funds. Loans from the SBA Microloan Program may be used to purchase equipment or machinery, increase inventory, support marketing campaigns, and to provide working capital for expansion. Loans may not be used for purchase of real estate or for leasehold improvements. Loans from the Massachusetts Development Finance Authority administered by JVS are available specifically for immigrant and refugee-owned businesses.

JVS Microenterprise Division provides inexpensive opportunities to learn about starting and running a business. Sliding scale fees are based on participants' family income levels. Applicants should have a viable business idea, the desire to be self-employed and the willingness to commit to pursuing business start-up or expansion. Technical assistance is a requirement for loan recipients. Loan packaging services may be initiated at the Boston Empowerment Center or the JVS office at 105 Chauncy Street in Boston. *For further information about JVS Microenterprise Division, contact Mary Browne, Brenda Gagnon, Cheryl Sullivan or Michael Torrens at 617 451-8147.*

Neighborhood Assistance

Working Capital - Greater Boston provides business education, capital and networking opportunities for entrepreneurs. Working Capital business members have the opportunity to form peer lending groups with four to eight other entrepreneurs to exchange ideas, refer customers and access loan capital. Working Capital offers workshops twice monthly on marketing, bookkeeping, legal issues, and credit repair. Members can obtain a loan by applying to their peer lending group, which makes approvals based on whether the loan will benefit the business and whether the business will be able to repay the loan. Working Capital staff does not review the applicant's credit history or take collateral; instead the peer groups are responsible for ensuring that members repay on time. Loans start at up to \$500, repayable in four to six months, and increase in steps to \$10,000. Members can only move on to the next loan level if all members are on time in their repayments. *For information, call 617 547-3739.*

Community Development Corporations (CDCs) are non-profit, community-based development organizations that work to revitalize poor and working class communities. In Boston, two CDC collaboratives, Nuestra Comunidad's Neighborhood Business Development Center and the CDC Community Business Network, have well established business development programs in which CDC staff work one-on-one with individual entrepreneurs to provide a customized set of services. CDC staff are well informed about the full range of private, public and non-profit programs available to small businesses. They can help you find the right training program or workshop; assist in writing a business plan and preparing financial projections; help with financial management, operations, marketing, and other key issues; connect business owners to accountants, lawyers and other professionals; and package loans with a number of lenders. CDCs also have special access to equity financing through the Community Development Finance Corporation (CDFC). CDCs that do not have business development programs can usually make referrals to other CDCs or appropriate agencies. *For information, check the Summary Chart on **page 20** for the CDC serving your neighborhood.*

State Assistance

Massachusetts Office of Business Development

The **Massachusetts Office of Business Development** assists existing businesses in creating and maintaining jobs and works to attract new businesses by facilitating their relocation to or expansion within the Commonwealth. The Office of Business

Development provides a full range of business services and can serve as a single source of information and referral for economic development. The Office of Business Development has five regional business centers, including one in Boston, that provide an array of services, including:

Facilitation of the regulatory, permitting and licensing processes

Access to federal, state, local, quasi-public and private financing

General information on starting a business in Massachusetts

Identification of training and recruitment resources

Site selection service

One-stop environmental permitting

For additional information on state finance and assistance programs, business owners can contact the Massachusetts Office of Business Development at 727-3206 or 1-800-5-CAPITAL.

Through the **Massachusetts Economic Development Program**, the Commonwealth, in partnership with cities and towns, supports business growth in designated Economic Target Areas through the use of a variety of tax incentives. Certified Project designation is required for businesses looking to participate in the Economic Development Incentive Program. *For information on Boston's Economic Target Area and the Certified Project designation process, contact the Massachusetts Office of Business Development.*

Massachusetts Small Business Development Centers provide free one-to-one management and technical assistance counseling and educational programs for prospective and existing small businesses. The Massachusetts Small Business Development Center in Boston is a partnership of, and is funded by, the United States Small Business Administration, the Commonwealth's Department of Economic Development and UMass/Boston. Types of assistance include:

Management counseling services

Capital Formation Services

Training

Minority Business Assistance Center

International Trade Program

For information on current UMass/Boston Small Business Development Center programs, contact Henry J. Turner at 617 287-7750.

Non-Financial Information and Assistance Summary Chart

Types of Assistance Available							
Organization/ Agency	Contact/ Telephone	One-on- One Counseling	Classroom Training	Seminars/ Workshops	Access to Lenders	Other	Bilingual Staff
City of Boston Office of Business Development							

Business Assistance Team	Greg Molina 617 445-3413	Yes			Yes	Business Plan Development Business start-up assistance, locating a business site, providing loan application assistance, helping with the City permitting process	Portuguese Spanish
Boston Main Streets	Emily Haber 617 635-0293	Yes	Yes	Yes	Yes	Design Services Storefront Improvements <i>(To locate your local office, see Page 18 for a complete listing of Boston Main Streets offices.)</i>	
Commercial Real Estate and Business Financing	Keith Hunt 617 635-0418	Yes			Yes		
Boston Local Development Corporation (BLDC)	Bill Nickerson 617 445-3413	Yes					
Boston Industrial Development Financing Authority (BIDFA)	Frank Tocci 617 445-3413	Yes					
ReStore Boston	Ed Wallace 617 635-0402						

Types of Assistance Available

<i>Organization/ Agency</i>	<i>Contact/ Telephone</i>	<i>One-on-One Counseling</i>	<i>Classroom Training</i>	<i>Seminars/ Workshops</i>	<i>Access to Lenders</i>	<i>Other</i>	<i>Bilingual Staff</i>
Partners at the Boston Empowerment Center							

Business Assistance Team	Greg Molina 617 445-3413	Yes			Yes	Business Plan Development Business start-up assistance, locating a business site, providing loan application assistance, helping with the City permitting process	Portuguese Spanish
U.S. Small Business Administration (SBA)	Anne Rice 617 565-5575	Yes		Yes	Yes	Reference library Computers and modems	
Jewish Vocational Services	Mary Browne Michael Torrens 617 451-8147	Yes	Yes	Yes	Yes	Targeted to low and moderate income residents	Spanish Russian Vietnamese
Center for Women and Enterprise	Tandelca Guilderson 617 536-0700 ext. 234	Yes	Yes	Yes	Yes	Sliding scale, financial aid available for all programs and services	Spanish
Working Capital	Bonnie Cronin 617 576-8620			Yes	Yes	Peer group networking	

Community Development Corporation (CDC) Community Business Network

(Chinese, Portuguese, Spanish, Vietnamese Language Assistance Available Throughout the CDC Community Business Network.)

Allston-Brighton CDC	Joanne McKenna 617 787-0425	Yes	Referrals to Other Programs	Yes	Yes	
Chinatown Asian CDC	Bruce Pullyblank 617 482-2380	Yes	Referrals to Other Programs	Yes	Yes	

CDC of Boston Roxbury	John Francis 617 442-2114	Yes	Referrals to Other Programs	Yes	Yes	
Dorchester Bay EDC	Christo Banda 617 825-4200	Yes	Yes	Yes	Yes	
Fenway CDC	Tracy Holman 267-4637	Yes	Referrals To Other Programs	Yes	Yes	
Jamaica Plain NDC	Kit Perkins 617 522-2424	Yes	Referrals To Other Programs	Yes	Yes	
NOAH/East Boston	John Sepulveda 617 569-0059	Yes	Referrals to Other Programs	Yes	Yes	
South Boston NDC	George Craddaock 617 268-9610	Yes	Referrals to Other Programs	Yes	Yes	

Financing Your Business

Federal, state and local governments and quasi-public and community-based organizations have financing programs targeted to the special needs of small business owners unable to qualify for standard bank financing. These programs often have special qualifications and/or eligibility criteria. While some business owners believe that government programs are time-consuming and layered in bureaucracy (even all the initials look intimidating), that generally is not the case for business owners who are clear about their financing needs and prepared with the

appropriate records and documentation. Business specialists at places like the Massachusetts Office of Business Development and the Boston Empowerment Center can help you identify the right program to meet your needs and can assist in the application process.

The programs listed below are described more fully on the next page represent some of the financing programs that are available:

	Customer Type		Financing Need				Loan Type			
<i>Program</i>	<i>Start-Up Businesses</i>	<i>Existing Businesses</i>	<i>Long Term Real Estate Mortgages</i>	<i>Short Term Construction (Rehab/New)</i>	<i>Equipment (Used/New)</i>	<i>Working Capital</i>	<i>Direct</i>	<i>Subordinated</i>	<i>Loan Guarantee</i>	<i>Equity</i>

Boston Local Development Corporation (BLDC)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
Boston Industrial Development Finance Agency (BIDFA)	Yes	Yes	Yes	Yes	Yes		Yes			
Enhanced Enterprise Community HUD 108	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
Jewish Vocational Service (JVS)	Yes	Yes			Yes	Yes	Yes			
Office of Business Development CDBG-funded activities	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Massachusetts Business Community Group		Yes	Yes		Yes	Yes	Yes	Yes		
Small Business Administration	Yes	Yes	Yes		Yes	Yes		Yes	Yes	
Working Capital	Yes	Yes		Yes	Yes	Yes	Yes			

Special Finance Programs

<i>Program Name</i>	<i>Program Description</i>	<i>Program Terms and Conditions</i>
Boston Local Development Corporation (BLDC)	Program provides a broad range of financial options to start-up and existing businesses. Loan products can be used for commercial real estate mortgages, short-term (rehabilitation and new) construction, equipment purchases and working capital.	Loans to start-up companies are limited to \$15,000. Loans to existing companies are limited to \$150,000. Terms for both loan categories: seven years (repayment period) and prime rate plus two points (interest rate). Projects must demonstrate job creation or retention.
Boston Industrial Development Finance Agency (BIDFA)	Program features a bond instrument with a minimum value of \$750,000. Provides only direct loans. No working capital.	Minimum bond value of \$750,000. Terms: 15-20 years; interest rate reflects the market.

Enhanced Enterprise Community (EEC) HUD 108	Program provides loans and credit enhancements for qualified businesses located in the City of Boston's Enhanced Enterprise Community.	Qualified businesses must create jobs for low/moderate income residents or provide a needed community service. Minimum request is currently \$250,000 (\$35,000/job created).
Jewish Vocational Service (JVS)	Program provides direct loans for equipment and working capital uses. Start-up and existing businesses are eligible. Technical assistance is a requirement.	Loans for start-up and existing businesses limited to \$25,000. Terms: maximum six years repayment; interest from 11.875% to 12.125% (established by the SBA).
Office of Business Development	Program is funded through HUD and a Community Development Block Grant (CDBG). Program provides loans and credit enhancements for qualified businesses located in the City of Boston. All funding is on a "but for" basis, and is generally considered "gap" financing.	Qualified businesses must create jobs for low/moderate income residents or provide needed community services. Terms and conditions are customized for each transaction and are based on the project's ability to pay.
Massachusetts Business Community Group (MBCG)	Program operates under the umbrella of the Massachusetts Business Development Corporation (MBDC)	Loans to minority/women-owned businesses and nonprofit organizations. Loan sizes range from \$50,000 to \$1 million with terms of 5-20 years. Market interest rates.
U.S. Small Business Administration (SBA)	Program provides loan guarantees for bank loans to small businesses for a variety of financing needs. Program eligibility based on size standards established by the SBA. Loans not available for speculation or investment in rental real estate. Borrower makes loan payments to the lender.	Time for repayment depends on the use of proceeds and the ability of the business to repay. Working capital loans generally have maturities of up to 10 years. Longer maturities, up to 25 years, are used to finance fixed assets.
Working Capital (WC)	Program provides financing of \$500 to \$10,000 to start-up and existing businesses. Loans are approved by a trained group of participating business owners. Working Capital issues checks per group request.	Time for repayment varies by loan amount: \$500 loan, 4-6 months; \$1,000 loan, 4-12 months; \$1,500 loan, 4-18 months; \$2,000 loan, 4-24 months; \$5,000 loan, 4-26 months; \$10,000 loan, 4-20 months.

Tips on Requesting Bank Financing

BE PREPARED

When you contact your bank, have a complete package ready to present to the lender. This should include:

A 3-5 page business plan/proposal describing the purpose of the loan, the owner's experience, a description of the business and/or product and the business's target market.

Business plan formats are available through the City of Boston Business Assistance Team at the Boston Empowerment Center, the U.S. Small Business Administration (SBA) and local bookstores.

The request should include the amount requested, the length of loan terms and the method and source of repayment. You should also list any collateral available to secure the loan.

Include a personal financial statement and three years of tax returns. If your business is incorporated, provide three years of the business's tax returns and financial statements, if available. Note that most banks require you to complete a personal financial statement that is provided by the bank.

Provide your most recent month-end actual balance sheet and income statement, a projected 12-month cash flow and projected year-end balance sheet and income statement.

Provide copies of any licenses or permits your business requires, along with articles of incorporation, by-laws, partnership or trust agreements, and any other certificates of existence. You should also include any pertinent lease agreements and purchase and sale agreements.

Be aware of your credit history. Banks require an explanation of any blemishes on your credit report. *You can request a copy of your credit history from Credit Data of New England 1-800-916-8800, CBI/Equifax 1-800-422-4879, or TransUnion 1-800-944-1122.*

BE SPECIFIC

Unlike applying for a credit card ("If I can't have a \$5,000 credit limit, how about \$1,000?"), commercial credit requests are project-specific. If you are requesting financing, the amount you apply for should be justified by its purpose. That means:

If your company needs \$25,000 for relocation and leasehold improvements, your request should show how the funds will be used and how using these funds will increase the sales volume of your business. If the amount appropriate for the project is \$25,000, do not approach your bank with a request for more or less.

If you are applying for construction financing or are looking to purchase equipment, provide the bank with the appropriate construction estimates, equipment appraisals or price lists.

Of course, you will also need to show your ability to repay the amount requested. If your repayment is predicated upon using the loan proceeds to increase sales, you must show the bank how this influx of money will accomplish this.

GAINING ACCESS

One of the most common complaints of small business owners is their inability to gain access to bank credit. The first thing to keep in mind is that banks are in the business of lending money. They want to make loans. However, **banks can only make prudent loans to serious, creditworthy borrowers.** Always present yourself in this light:

Deal with your bank in a professional manner.

Make appointments to meet with lenders, and meet with them at the appointed time.

When the bank requests information, provide it quickly and properly packaged.

Know your credit history and be prepared to respond if the bank has any questions or concerns.

The most obvious way to approach a bank for financing is to **start with the bank you are currently doing business with:**

Meet with the branch manager responsible for your deposit accounts. She/he will be familiar with your business and can serve as your guide to the best loan product and, if necessary, your advocate with the business loan department.

If the branch manager can't help you, contact the small business or commercial loan department on your own. Banks generally have lenders that specialize in different types and sizes of businesses, and specific geographic area. Explain clearly what kind of financing you need and make sure you are dealing with the right lender.

Remember that you are not limited to approaching only one bank. Different banks have different target markets and are driven by a variety of lending philosophies. Shop around until you find a banker who you feel understands your needs and will best respond to them. Use this Guide to help you shop.

Look for opportunities to meet bankers in your neighborhood. Banks regularly send representatives to meetings of the local board of trade, chamber of commerce, community and civic groups. They attend meetings of trade groups and business associations. Among other reasons, they are there to look for business prospects. Introduce yourself and tell them about your business. You can also ask friends and business associates to refer you to their bank. If you can develop a rapport with a banker in these circumstances, it will ease the process of requesting a loan. But, remember, this is only a means to an introduction. Whether or not you are approved is based solely on the soundness of your request.

Look for assistance from public and quasi-public agencies. They can often help prepare you for and assist with your introduction into the lending community. The best known agency is probably the Small Business Administration. There are also a number of state, city and non-profit agencies that can assist you in getting access to bank financing.

Small Business Lenders in Greater Boston

The following list of banks provide financing to small businesses in Boston and neighboring communities. Find the community where you are located or want to locate to identify the banks that serve that community.

Types of Business Loans Offered by Local Banks

Types of Loans								
<i>Bank</i>	<i>Phone</i>	<i>Long-Term Real Estate</i>	<i>Short-Term Construction</i>	<i>Equipment Financing</i>	<i>Working Capital</i>	<i>Lines of Credit</i>	<i>Micro- Loans</i>	<i>Government Loans</i>
BankBoston	1-888-BKB FOCUS	Yes	Yes	Yes	Yes	Yes	Yes	Yes
BankBoston First Community Bank	617 434- 1921	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Boston Private Bank & Trust Co.	617 912-1944 617 912-4208 (Spanish)	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Citizens Bank	617 725-5669	Yes	Yes	Yes	Yes	Yes	Yes	Yes
East Boston Savings Bank	617 568-4343	Yes	Yes	Yes	Yes	Yes	Yes	(1)
Eastern Bank	617 689-1707	Yes	Yes	Yes	Yes	Yes	Yes	Yes
First Trade Union Bank	617 728-7312	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Fleet Community Development Corporation (CDC)	617 346-0874			Yes	Yes	Yes	Yes	Yes
Hyde Park Co-Operative Bank	617 364-6012	Yes	Yes	Yes	Yes	Yes		Yes
Liberty Bank & Trust Company	617 338-4700	Yes	Yes	Yes	Yes	Yes	Yes	Yes
National Bank of Greece	617 367-2200			Yes	Yes	Yes	Yes	Yes
Peoples Federal Savings Bank	617 254-0707	Yes	Yes	Yes	Yes	Yes		Yes
PNC Bank, New England	617 443-6372	Yes		Yes	Yes	Yes		
Roslindale Co-Operative Bank	617 325-2900	Yes	Yes	Yes	Yes	Yes	Yes	

Bilingual Assistance

<i>Bank</i>	<i>Staff</i>	<i>Applications</i>
BankBoston/First Community Bank	Chinese, Spanish, Vietnamese.	Spanish
Boston Private Bank & Trust Company	Spanish (also available by phone at 617 912-4208).	

Cambridge Trust Company	Translation assistance available on request (Albanian, Amaharic, Armenian, Cantonese, Dutch, French, Greek, Hebrew, Hindi, Italian, Laotian, Mandarin, Papiamentu, Portuguese, Spanish, Taiwanese).	Spanish
Citizens Bank	Spanish. Other translation assistance available on request.	
East Boston Savings Bank	Italian, Spanish at branch locations.	
Fleet Community Development Corporation	Spanish.	
Fleet Bank	Chinese, Spanish.	
Hyde Park Co-Operative Bank	Spanish.	
Liberty Bank & Trust Company	Cantonese, French, Mandarin, Spanish, Vietnamese.	
National Bank of Greece	Greek (also available by phone at 617 367-2200).	
Peoples Federal Savings Bank	Cantonese, Greek, Spanish, Russian.	Spanish
PNC Bank, New England	French, Spanish	
Roslindale Co-Operative Bank	Greek.	
USTRust	Spanish. Other translation assistance available on request.	

Boston Main Streets Contact List

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254-7564

Bowdoin/Geneva Main Street

Juan Carlos Ferrufino

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Dorchester, MA 02122

474-1224

Brighton Main Streets

Ann Griffin

c/o St. Elizabeth's Medical Center

Office of Community Affairs FNA-AC

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Boston, MA 02135

779-9200

Chinatown Main Street

Irene Thai

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Boston, MA 02116

350-6303

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Christina Keefe

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287-0891

Dudley Square Main Street

Joyce Stanley

Dudley Square Main Street Office

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541-4644

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541-4644

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Hyde Park, MA 02136

361-6964

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522-3694

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427-7399

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265-0363

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Rosemary Powers

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268-9600

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Shelia Grove

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617 787-0425

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617 482-2380

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Business Assistance Team

20 Hampden Street

Boston MA 02119

617 445-3413

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Diane Franklin

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Cambridge MA 02139

617 349-4690

Cambridge Economic Development Division

Elaine Madden

57 Inman Street

Cambridge MA 02139

617 349-4618

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Mary Browne or Michael Torrens

Boston Empowerment Center

20 Hampden Street

Boston MA 02119

617 445-3413

or 105 Chauncy Street, Boston MA 02111

617 451-8147

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Stacey Parks Townsend

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Boston MA 02109

617 350-8877

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Boston MA 02108

617 727-3206 or 1-800-5-CAPITAL

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617 569-0059

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617 522-2424

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617 552-7135

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617 625-6600

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